



Michael, left, with Assistant Manager Ron Reeves

Getting excited about change

When the news office stopped in at K mart 4488, Rochester, Michigan and ask Co-Manager Michael Burke that we would like to feature him in Management News, he was thrilled. But what thrilled him even more was when he began to talk about how his store and the company as a whole are progressing.

"The future for K mart is brighter than ever," beams Michael. "Our domestics display is up 27% and many assistant managers and district managers drop in to inquire and admire our method of setting this area up and watching it sell."

"With this new display modification and others to come we will definitely attract a wider range of customers. Customers who used to just come and buy toothpaste, are now looking at our linens and curtains."

Michael headed the staff as manager at Kresge 582, Detroit, Michigan and Kresge 369, also in Detroit, before coming to the Rochester K mart where he's been co-manager for the last two years. He hails from Gallipolis, Ohio and his formal education includes a masters degree in international affairs from Ohio State. With his international background, Michael hopes to someday work in imports or in an area that would allow him to work in different parts of the world.

His good feelings about change and K mart's future seem to permeate throughout the store.

"My staff has adjusted well to the changes made at store level, especially the new displays. They seem to have so much pride in their areas and enjoy working for K mart and accomplishing our goals for the 80s."

Mgmt. Briefs

Can you negotiate a dental plan for employees that would be less than the market price. Many of us have one anyway, but it seems K mart could get us increased services or better costs. I understand that employees would pay 100% at this time.

"The suggestion that the Company provide a dental insurance plan on an optional basis with the employee paying the premium cost has been made on a number of occasions. Such plans simply won't work."

"Let's assume some insurance company would be willing to write such a plan (and I doubt one would). If it were 'employees pay all,' only those employees who feel they need the coverage will elect to join. Those employees who enroll will use the services and as they do, the rates will go even higher. As the rates go up (and as those who join get their teeth fixed) members begin to drop out—and the rates go even higher to cover the high costs of those who remain."

"The true basis for any group-type benefit is participation. In life insurance, it is the premiums paid for those individuals who do not die which are used to pay the insurance benefit for those who do."

"A dental plan which is made available on an optional basis to those who wish to join will fail for the reason the payment from the plan will substantially exceed the premium income!" — J. E. Dewenter, Director of Employee Benefits

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As K mart managers, we are very limited in ways to reduce our taxable income and stay within the legal limits set by the IRS and our "Integrity" clause. Therefore, would it be possible for K mart to offer a "Deferred Income Plan?"

"A deferred income plan is currently under research as an addition to our Employees' Savings Plan. We expect to offer our employees this option by the fall of this year!" — J. E. Dewenter, Director of Employee Benefits

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